

in the trade area. I want the U.S. Trade Representative to be strong. I am concerned about dictates I have seen in the past by both Democrat and Republican administrations, where the State Department or the Commerce Department goes to the White House and stops our Trade Representative from enforcing the trade laws. Free trade, yes, but also fair trade and enforce the laws on the books.

Canada is not dealing with us fairly when it comes to soft wood lumber and wheat. Our closest neighbor, perhaps our best friend in the world, and we cannot get them to live up to the trade agreement we have with them. While we see increased trade in Mexico and Central America, that is good. We have certain problems with Mexico, too. In Europe, for heavens' sake, the first two decisions that the WTO made the Europeans basically have thumbed their nose at. I suggested to Mr. Zoellick, to quote a former great Senator from Georgia, Richard Russell, "I think we ought to have an American desk at the U.S. Trade Representative's office."

Somebody needs to speak for America and quit quaking in our boots about the diplomatic impact it would have with Canada if we say enforce the law. Enforce the law.

I made that statement to Mr. Zoellick privately and in the Finance Committee hearings, and I am going to do so when he is confirmed. I thought Charlene Barshefsky of the previous administration was a good U.S. Trade Representative up until the last year. Then I think she was overrun by the election year and the State Department and all kinds of other people. I think she was tougher than most Trade Representatives. Overall, she did a good job, particularly in the high-tech area.

In agriculture, she was not quite so good. But I am worried. I have supported all of these trade agreements we voted on over the years—GATT, NAFTA, Africa and CBI trade, and China PNTR. But I am getting really fed up with the way we are being treated by our trading partners. I am even more fed up with the way our administrations don't insist on the laws being enforced. So I have urged Mr. Zoellick to do that. I believe he will. I hope he will. If he does not, I can assure him and this administration and our trading partners that a strong letter to follow and action will be taken to be commensurate with how I feel about this issue.

We have to have some change in how we deal with our trading partners. Now is the time, at the beginning of a new administration. Without being overly critical, it has been both Republican and Democrat administrations. It is time we look after American interests in the trade area as well as in the diplomatic, economic, and military areas.

I know others will say things such as this, and in the Finance Committee some of my friends on the Democratic side were surprised to hear me say this

and liked it. I don't mean to sound as if I am some sort of a traditional protectionist, but fair is fair. I don't think our trading partners are dealing with us fairly right now.

I support this nomination, and I will urge a vote for his confirmation.

I yield the floor.

#### TAX CUTS

Mr. WELLSTONE. Mr. President, I will say to the majority leader that I think his last set of remarks may be the basis of bipartisanship between the two of us. We will keep this civil.

I will also say to the majority leader and others that I can't wait for the debate because he focuses on the \$30,000-a-year family. But anybody who looks at the distribution of benefits of President Bush's tax cut plan will see—I don't know—40 percent of the benefit going to the top 1 percent of the top 5 percent, which is ridiculous. It is like Robin Hood in reverse. Yes, we will make sure there is a set of tax credits to go to middle-income and working-income families. Absolutely.

I will point out one more time—and I didn't hear the majority leader respond to this at all—I want to hold President Bush accountable for these numbers—a \$3.1 trillion non-Social Security surplus becomes 2.6 when you put Medicare trust money aside, which we will do. It becomes \$2 trillion when extending tax credits, and we also provide payments to farmers and other people, which we will do without doubt. The tax cuts go from \$1.6 trillion to \$2 trillion, when you now have to pay the interest on the debt, when you are not paying the debt down, in which case I want to know where are the resources to leave no child behind.

I say to the majority leader that I am more than willing to debate after we provide tax cuts for middle-income working families, whether or not we, in fact, provide some benefits so elderly people can afford prescription drugs versus tax cuts for the wealthy, whether we can expand health care coverage versus tax cuts, or whether or not we will live up to the words of leaving no child behind and make investment in child care and in Head Start and in our schools and fund the IDEA program versus tax cuts for the wealthy.

I think the message President Bush is trying to convey and the majority leader echoes to the people in the country—I all of a sudden find myself being a fiscal conservative—is that we can do it all. There is no free lunch. We can't do it all. We can't have tax cuts disproportionately to the wealthy, erode the revenue base, and at the same time say we are going to leave no child behind; we are going to make an investment in education; we are going to make an investment in covering prescription drugs for the elderly. We can't do both. The people in the country are smart enough to figure that out, and I hope Democrats will engage this administration. The sooner the

better. I don't think we need to wait one more day to have this debate.

Senators and President Bush: You cannot proclaim the vision and the value of leaving no child behind and keep this on a tin cup budget. If we are real about this, we will make the investment in the intellect, the skills, and the character of our children.

This budget is not real. It does not make that commitment to leaving no child behind.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

#### AIRLINE INDUSTRY COMPETITION

Mr. WYDEN. Mr. President, a key principle of economic competition today is that one big merger begets another. Known as copycat mergers, these deals are made when the companies that did not merge first felt forced to copy the initial merger. If those left behind do not merge, then they just can't keep up with the Joneses.

This morning, I am going to focus for a few minutes on competition in the airline industry. I want to begin by saying that when it comes to copycat airline mergers, this country has reached the point where there are virtually no more cats.

This weekend, Americans opened their newspapers to learn that Delta Airlines, the nation's third largest carrier, and Continental, have begun merger discussions. The Associated Press says that Delta and Continental don't even really want to merge. But you guessed it—they say other major airline mergers might drive them to it.

The latest round of airline merger reports comes on the heels of the proposed United-U.S. Airways merger and American's proposed deals with TWA and United.

In my opinion, if nothing is done in the face of these proposed airline mergers, our country is headed down a runway of no return. If this lineup of mergers takes off, it will destroy the last remnants of competition in the airline history.

The trend toward concentration in the airline industry did not begin in the last few weeks. More than 20 consecutive airline mergers were approved in the 1980s.

I believe much of the problem we are seeing today stems from that huge array of airline mergers that took place in the 1980s. In fact, I think the merger between TWA and Ozark sets in motion the trend that began in the 1980s. I come to the floor this morning to say I believe it is time to change course.

The central problem stems from the fact that the major proponents of deregulation have not been willing to simultaneously and vigorously enforce the antitrust laws. As a result, our country gets the worst of both worlds: dominant companies with a choke hold on the market, and nobody setting rules to make sure they don't run

roughshod over the American consumer—the flying public.

The Justice Department, which has been run by officials from both political parties since concentration in the airline industry accelerated, has not fully utilized the antitrust tools at its disposal. As a result, I want to make a proposal this morning: Before the Justice Department clears one more major airline merger, the Federal Trade Commission (FTC) should have to make a public report demonstrating that the merger will not have negative long-term implications for consumers and the economy. The FTC should dig in, hold public hearings to examine these deals, and get to the bottom of the long-term consequences of these airline mergers. It is time to make sure that these mergers don't strand any more airline passengers with too few choices and too many headaches.

The real question is: Is competition in the airline industry working today? In my view, there certainly aren't enough competitive forces in the airline industry to force companies to compete now to improve service.

Actually, some of our constituents report to us that they are left out on the runway for hours with a glass of water. Is it any wonder consumer complaints are at record high levels and some fliers call the departure board at our airports the "delay board"? I think not. I think those problems stem from the lack of competition we are seeing in the airline sector today. This Congress should not stand idly by while a chain reaction of mega-mergers squeezes out whatever competitive juices remain in the airline industry. As I make my proposal for airline mergers this morning, I want to make clear that I am not one who believes that all the mergers taking place in America are bad. Many of the mergers our country is watching have not only not been harmful, they have been beneficial. They have resulted in more efficient companies that ultimately benefit consumers with better service and lower prices.

When it comes to the big airlines, it doesn't look like that's the case. These airline mergers seem to permanently reduce competition. So I believe it's time for Congress and the executive branch to take a time out on airline mergers and assess the long term implications of where the airline industry is headed. The shape of the airline industry created today is one America will have to live with for a long time, and we ought to know what we are getting into. Competition in the airline industry is too important to too many people, who fly to conduct their business and their personal affairs.

Slowing up this airline merger frenzy to look at the long-term consequences, as I propose this morning, is a modest step that the U.S. Congress ought to take now.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nevada is recognized.

Mr. REID. I thank the Chair.

(The remarks of Mr. REID pertaining to the introduction of S. 249 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. REID. Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I understand we are in morning business and I have some time assigned to me; is that correct?

The PRESIDING OFFICER. The Senator is correct. Under the order, the time until 11 a.m. shall be under the control of the Senator from North Dakota.

#### TAX CUTS

Mr. DORGAN. Mr. President, last Friday morning we had an issues conference with the Democratic caucus at the Library of Congress, just across the street from this building. Those of us in the Democratic caucus in the Senate—and there are 50 of us in a 100-person Senate—spent the day talking about the issues we want to raise during this Congress.

We invited President Bush to come by this issues conference, which I believe was unprecedented. As chairman of the Democratic Policy Committee, I recommended we invite the new President. He came and made a very short presentation to us—very general and very cordial. We asked a series of questions, and then he departed. We were very pleased he did come by to our issues conference.

One of the things he said in discussing issues with the Democratic caucus was that when he campaigned for the Presidency, he campaigned on certain issues, and he said: I intend to pursue those issues as President, and there will be time when we disagree, but we should be able to do that without being personal and without being disagreeable. He understands that there are times we will disagree as a matter of public policy, and that is the way democracy works.

There is an old saying that when everyone in the room is thinking the same thing, no one is really thinking

very much. That is certainly true in public policy. The ability in this kind of a setting to have a good aggressive debate on public policy issues, especially controversial issues, benefits the American people. Then we get the best of what everyone has to offer. So let's begin this debate.

The President has proposed that we have a \$1.6 trillion tax cut in this country over the next 10 years. That was not a surprise to us. He campaigned on that throughout this country. That election ended in a dead-even tie, but the members of the electoral college cast their votes, and he is now President. There is not necessarily a mandate for this tax cut, at least one for \$1.6 trillion.

I make the point that this President campaigned on it and yesterday he announced it, and we will in this Congress now begin to discuss and debate the advantages or disadvantages of that particular plan.

There are a lot of reasons for us to say that now is the time to offer a tax cut to the American people. We do have a budget that is now in surplus, and that surplus exists in a measure that will allow some of that money to be sent back to the American taxpayers. That is the way it should happen. There are other uses for that money as well, and we ought to include them.

We ought to pay down the Federal debt with part of it. If during tough times we run up the Federal debt, during good times we ought to pay it down. Not all of that surplus ought to go to tax cuts; some ought to go to reduce the Federal debt. Yes, some ought to go to tax cuts, and then some ought to be used to improve life in this country—invest in education, invest in health care, prepare for the needs of Social Security and Medicare in the future. There is a range of needs and a range of priorities, and that is what I want to talk about today.

Twenty years ago, we had a new President come to this office, President Ronald Reagan. He proposed in 1981 a very large tax cut. In fact, one of the contestants for the Presidency was Republican Senator Howard Baker who called the economic plan that President Reagan brought in 1981 a "riverboat gamble."

President Reagan said we should cut taxes substantially and double the defense budget, and the concurrence of those two policies—cutting taxes and doubling the spending on defense—would result in a balanced budget. In fact, the plan backfired. It did not result in a balanced budget. It resulted in long-term, abiding, deep Federal budget deficits that kept growing and growing. And \$3 trillion was added to the Federal debt in a very short period of time because the plan did not add up—with annual budget deficits of hundreds of billions of dollars.

I make that point only because it has taken years of struggle to try to deal with those annual budget deficits that kept growing like a cancer in our budget. But we did deal with it. Through a